

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4774-06
Bill No.: Truly Agreed To and Finally Passed CCS for SCS for HB 1868
Subject: Administration, Office of; State Employees
Type: Original
Date: June 3, 2010

Bill Summary: Changes the laws regarding keys to the Capitol dome, state agencies, and MO HealthNet claims and establishes the Joint Committee on the Reduction and Reorganization of Programs Within State Government.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	\$3,223,328 up to \$4,063,328 to (Unknown less than \$2,889,735)	\$3,223,328 up to \$4,063,328 to (Unknown less than \$2,960,383)	\$3,223,328 up to \$4,063,328 to (Unknown less than \$2,974,194)
Total Estimated Net Effect on General Revenue Fund	\$3,223,328 up to \$4,063,328 to (Unknown less than \$2,889,735)	\$3,223,328 up to \$4,063,328 to (Unknown less than \$2,960,383)	\$3,223,328 up to \$4,063,328 to (Unknown less than \$2,974,194)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 20 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
State Highway & Transportation Fund	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)
Gaming Fund	\$0	\$0	\$0
MO State Water Patrol Fund	\$0 or \$2,500,000	\$0 or \$2,500,000	\$0 or \$2,500,000
Third Party Liability Fund	Unknown but Greater than \$367,100	Unknown but Greater than \$367,100	Unknown but Greater than \$367,100
Total Estimated Net Effect on <u>Other</u> State Funds	(\$1,200,000) to Unknown greater than \$2,867,100	(\$1,200,000) to Unknown greater than \$2,867,100	(\$1,200,000) to Unknown greater than \$2,867,100

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Federal Funds	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(3.5) to 3.5 FTE	(3.5) to 3.5 FTE	(3.5) to 3.5 FTE
Total Estimated Net Effect on FTE	(3.5) to 3.5 FTE	(3.5) to 3.5 FTE	(3.5) to 3.5 FTE

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 8.016 Keys to the Dome

Officials from the **Office of Administration (COA) - Commissioner's Office** state that if expanded access is granted to the State Capitol Dome, the state will be liable for any claims if an injured individual sues the state. In the past two (2) years, there have been two incidents where an individual was injured as a result of visitors being allowed access to the dome. In one instance, the injured individual was taken to the emergency room at a local hospital. In the other instance, emergency medical services (EMS) personnel refused to climb the stairway going to the dome because they could not properly transport the individual down the staircase. A Capitol Police officer was able to assist the visitor down the stairs where EMS personnel provided aid.

COA - Division of General Services, Risk Management (GS/RM) officials assume there would be an increase in the number of visitors to the Capitol Dome if the proposal is approved. Therefore, the likelihood of an accident or injury increases. While there have been no claims to date, the likelihood of a claim increases and these costs would have to be covered by the state's Legal Expense Fund. For any one person in a single accident or occurrence, the maximum waiver of sovereign immunity for a dangerous condition of property claim would be \$378,814 (for claims occurring in 2009; new figures are not out yet for 2010). For all claims arising out of a single accident or occurrence, the maximum would be \$2,525,423.

COA - Division of Facilities Management, Design and Construction (FMDC) officials state increased access to the Capitol Dome area would require the COA to make extensive modifications to the space because access to this area was not designed for heavy traffic. There are more than 300 caged steps and no ventilation system, which could cause problems for anyone with health issues. This creates serious accessibility issues in the case of a medical emergency

ASSUMPTION (continued)

and medical-related evacuation. In addition, there is no way to get emergency equipment to the upper dome area. The state could incur costs to fix roofs and other structures and there is insufficient protection to visitors above the existing wall surrounding the area.

During FY 08, the FMDC conducted a study to determine the feasibility of access to the Whispering Gallery. The proposal will impact the state's Capital Improvement budget as design and construction costs to the Gallery and Dome are estimated at \$2,590,000. This estimate includes the addition of appropriate heating, ventilation and air conditioning equipment for the space. Required modifications include the design of safe entrances and exists, protection of building electrical components and other safety features, but does not include asbestos abatement or wheelchair accessibility.

The proposal will also impact FMDC's operating appropriation for the costs associated with heating, cooling, maintenance, and cleaning of the space on an on-going basis. The FMDC is unable to estimate these costs until construction is finalized.

Finally, the COA would incur additional costs to duplicate 197 keys, but these costs could be covered with existing resources.

In summary, providing expanded access to the State Capitol Dome could increase the state's liability in the event of a claim more than \$2.5 million per incidence; design and construction costs to the Whispering Gallery and Dome are estimated at \$2.59 million. There are also other unknown costs associated with the proposal, including asbestos removal, wheelchair access and annual heating, cooling, maintenance and cleaning costs.

Oversight assumes the proposal is only mandating the provision of keys to the legislators and, as a result, is not presenting the COA's Legal Expense Fund or design and construction costs.

Section 21.910 Joint Committee on the Reduction and Reorganization of Programs within State Government

Officials at the **Missouri House of Representatives** and the **Missouri Senate** assume that there is no fiscal impact from this proposal.

Officials at the **Department of Natural Resources** assume there would be an unknown workload impact as a result of this provision. The department assumes that impact would be a short-term impact. The impact is unknown because the department does not know what requests the joint committee might make of the department or the amount of resources that would be needed to respond.

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ASSUMPTION (continued)

Officials at the **Department of Social Services** assume although the type of assessment and analyses envisioned in this bill would require a great deal of staff effort in a short period of time, DSS expects to use existing staff to accomplish the objective.

Oversight assumes the agencies will be able to perform the requirements of this proposal with existing staff, as it is work similar to what they do to prepare their budgets.

Section 23.156 Oversight oath

Officials at the **Legislative Research's Division of Oversight** assume that there is no fiscal impact from this proposal.

Section 34.047 Purchasing of Information Technology

Officials at the **Office of Administration** assume the fiscal impact to this particular provision would be negligible. However, the Division of Purchasing and Materials Management has already set up contracts for the procurement of IT related products through its Prime Vendor Computer Contract where all purchases can be made and the bid process has already been completed.

Officials at the **Department of Natural Resources** and the **Department of Social Services** defers to OA for impact.

Section 37.900 Purchasing

Officials at the **Office of Administration** assume no increased administrative costs as a result of this proposal.

Officials at the **Department of Corrections** defers to OA on the purchasing and contract components of this bill. The fiscal effect of potential procurement changes for the DOC are Unknown per each year.

Sections 36.0361, 43.040, 43.050, 43.390, 58.445, 104.810, 301.716, 306.010, 306.165, 306.167, 306.168, 306.185, 542.261, 544.157, 577.090, 650.005 Highway Patrol/Water Patrol Merger
Officials from the **Department of Public Safety**, on behalf of the **Highway Patrol (HP)** and **Water Patrol (WP)**, assume this legislation will have significant impact:

Office Space - HP is working to identify facilities within the Jefferson City area for the reassignment of WP personnel, including the dispatchers mentioned above as well as other WP personnel. Also, DPS has identified state office space that can be made available for the State

ASSUMPTION (continued)

Fire Marshal's Office whose personnel share leased office space with the WP management.

If the current WP headquarters can be vacated by both WP and the Fire Marshal, the building's lease can be terminated, which would result in savings to GR of \$180,000 per year. The facilities next to the WP headquarters are owned by WP and would still be needed for storage and boat maintenance. These facilities can also be used for office space, possibly for dispatchers or other support personnel.

Communications - There are 9 dispatchers currently employed by WP. It is assumed that the dispatch function needs to be integrated within HP. We anticipate no immediate cost savings, but there will be a cost of \$4,000 to move the data circuits to the dispatch towers from the current WP dispatch building. These circuits would be rerouted to another building. HP anticipates being able to accommodate these dispatchers in existing facilities. There may be some long range savings if personnel can be reduced and radio towers within the same region can be combined.

Training - Both agencies train their recruits at the Highway Patrol Academy using similar core law enforcement course work, but taught at separate times and with different instructors. By incorporating the two agencies there would be no need for separate recruit classes and each cadre will benefit from the training provided for boating and highway enforcement. (Because the academies are similar, additional training for current Water Patrol officers will be minimal).

To the extent that officers are cross-trained from WP functions to HP functions and vice-versa, there will be some increased cost.

Administration/Personnel - Support Staff Personnel - Annual cost savings of approximately \$502,000 (\$318,000 salary plus fringe) will be realized by eliminating 10 FTE support staff positions tasked with payroll, procurement, and budgeting. Those functions will be assumed by highway patrol administrative support staff, and can be assumed as early as July 1, 2010. HP has a financial management section that includes budgeting, federal grants, procurement, accounts payable/receivable, a warehouse operation, and a print shop. HP can handle all of the activity in these areas. Human resources, public information, and other support functions of HP should be able to support WP with some modifications. HP has its own hiring system and does not use the state's merit system.

Command Staff - Approximately \$660,000 (salary and fringe) in ongoing general revenue cost savings will be realized over a longer term through the attrition of redundant command staff positions and replacement with patrol officers who are assigned to highway and/or gaming duties

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ASSUMPTION (continued)

during a portion of the year. (Currently, the water patrol has allocated 21 of their 99 officer FTE for senior level officers - 1 col, 1 lt. col, 2 majors, 9 captains, 8 lieutenants). This figure assumes that some command staff positions would remain to supervise the Water Patrol Division. Backfilling command staff positions with field officers will increase the number available for patrols.

Field Officer Assignment - As WP officers are able to transition to other HP duties during part of the winter, DPS projects that approximately 2.4 million ongoing general revenue cost savings will be realized by reassigning 2/3 of the transferred water patrol officers to highway or gaming duties during the off-season.

Also, WP officers currently accrue significant overtime during the summer months that officers later take as leave throughout the winter months. Having more officers available to assign to the water during the peak season (HP officers who have received cross-training) will reduce overtime and shifting assignments will provide more efficient use of those officers during the winter months.

Boater Safety Education & Training - HP assumes that WP personnel who come to the HP will continue to answer incoming calls relating to boater safety education and provide necessary boater safety training.

Revenue - Merging HP and WP, and having WP personnel partnering in HP road duties, gaming duties, and criminal duties during their off season is expected to increase the number of summons and arrests. These activities usually result in fines, which should have a positive fiscal impact to revenues for courts, fines (education revenue), and to sheriffs' and prosecuting attorneys' training funds. This will increase with time after the merger, as WP patrolmen receive more training and experience.

Until specific plans for utilizing WP officers during the winter months are developed and implemented, it is not possible to estimate the total revenues generated through increased enforcement.

Retirement/Medical: DPS defers to MOSERS and MPERS on any impact related to retirement or medical costs or savings resulting from this part of the proposal.

Consolidating the Water Patrol and Highway Patrol will result in significant cost savings to GR and enable the state more flexibility with valuable resources.

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ASSUMPTION (continued)

Oversight assumes that it can not determine if there is any retirement or medical savings or costs due to this proposal.

Officials from the **Missouri State Employees Retirement System (MOSERS)** state the proposed legislation would, if enacted, create a division of water patrol within the Missouri state highway patrol and transfer water patrol employees currently employed within the department of public safety to the highway patrol. As it affects MOSERS, employees who are earning creditable service under the MSEP (closed plan) or the MSEP 2000 must elect within ninety days of January 1, 2011, to transfer membership and creditable service to the closed plan or the Year 2000 Plan administered by the Missouri Department of Transportation and Patrol Employees' Retirement System (MPERS). In addition, an employee who elects to transfer must acknowledge and agree that such election is irrevocable and constitutes a waiver to receive retirement, life insurance, disability benefits and medical benefits except as provided by the system elected by the employee.

Under the legislation, in the event such an election is made, MOSERS would be required to transfer to MPERS by June 30, 2011, an amount actuarially determined to equal the liability at the time of the transfer to the extent that liability is funded as of the most recent actuarial valuation, not to exceed 100%. MOSERS' records indicate that there are presently 116 employees (23 regular state employees and 93 uniformed members of the water patrol) working for the water patrol with an estimated monthly payroll of approximately \$545,700. While we are unable to estimate the number of members that may elect to transfer their creditable service to MPERS, we do know that the contribution rate for transferring members would increase from 13.81% of payroll under MOSERS to 39.46% under MPERS (for non-uniformed members) and 49.53% (for uniformed members), respectively.

Officials at the **Missouri Department of Transportation** defers to MoDot and Patrol Employees' Retirement System for impact.

Officials from the **Missouri Department of Transportation and Highway Patrol Employee's Retirement System (MPERS)** state they have been informed by the officials of the Department of Public Safety that there are approximately 9-Radio Operator positions and 93-Uniformed Water Patrol members that will be included in the transfer. It is our understanding that the estimated payroll for this group is approximately \$6,167,136 per year. Today, under MOSERS, the entire group has a contribution rate of 13.81% plus .55% of payroll for disability insurance resulting in annual contributions from General Revenue of \$885,601. Under the proposed legislation, the members of the group would be given an election to stay in MOSERS or come to MPERS. If the entire group elected to come to MPERS, the contributions would increase

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ASSUMPTION (continued)

substantially because MPERS' rates are considerably higher (for FY2011, the rate is 39.46% for the civilian group and 49.53% for the uniformed group). Using the same payroll of \$6,167,136, annual contributions to MPERS would be in the range of \$3,012,342. This would represent an increase in contributions from General Revenue of \$2,126,741 if the entire group elected to come to MPERS.

Because the bill stipulates that members have the option to choose between MOSERS and MPERS, we have no way of predicting how many people would elect to come to MPERS. However, if even one member elected to move over, General Revenue would be impacted.

Based on the response from the Department of Public Safety, **Oversight** assumes there could be unknown potential costs as well as potential savings from the change outlined in the proposal. Within the budget for FY 2010, 52% of the funding for the Water Patrol (\$5,474,890 of \$10,620,363) is from the General Revenue Fund, while 69% of the funding for the Highway Patrol - Enforcement Program (\$68,197,001 of \$99,244,231) is from State Highways and Transportation Department Fund. Therefore, Oversight assumes there could be savings and or additional costs within various funds, including the two mentioned above, as well as Federal Funds and the Missouri State Water Patrol Fund. For fiscal note purposes, Oversight will reflect a potential savings and potential costs to General Revenue and Highway Funds.

Section 104.810 allows employees of the Missouri State Water Patrol to elect to move retirement from the Missouri State Employees Retirement System (MOSERS) to the Highways and Transportation Employee's and Highway Patrol Retirement System (MPERS) within 90 days of January 1, 2011. **Oversight** does not have a basis to how many of the 127.5 FTE Water Patrol employees will make this election. The contribution rate for MPERS, as stated by MOSERS, is 39.46% or 49.53% (compared to 13.81% for MOSERS), therefore, the state would incur additional costs for those employees electing to be covered under the MPERS plan.

Officials at the **Joint Committee on Public Employee Retirement** assume this proposal would not create a substantial proposed change in future plan benefits as defined in Section 105.660(10) and therefore, an actuarial cost statement is not required.

Section 306.185 Repealed

Officials from the **Office of Administration – Division of Budget and Planning** (B&P) assume the deletion of section 306.185.5 may have a negative impact on general revenue because the state's general revenue did not increase by two percent or more in 2009, the revenues previously deposited in the Water Patrol Fund are currently being deposited into the General Revenue Fund. In Fiscal Year 2009, \$2,309,982 was deposited in the Missouri State Water Patrol Fund. B&P

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ASSUMPTION (continued)

defers to Department of Public Safety for a specific estimate on the impact to the General Revenue Fund.

Officials from the **Department of Public Safety – Missouri State Water Patrol (MSWP)** stated the funds provided by the underlying statute pay one third of the Water Patrol enforcement personnel salaries and benefits. Currently the statute requires that funds be diverted to General Revenue if state revenue falls below 2% growth in a given year. This poses two issues:

- Up to 1/3 of MSWP's uniformed officers would be terminated if the funding isn't obtained through a supplemental appropriation.
- If MSWP terminates those officers, the training costs of replacement officers is over \$50K each.

The receipts into the Missouri State Water Patrol Fund (400) for the past two fiscal years has been \$2,720,601 in FY 2008 and \$2,366,532 in FY 2009. **Oversight** assumes the determination if the previous year's general revenue collections increased by 2 percent or more are made each year. Therefore, **Oversight** will assume a potential fiscal impact to the Missouri State Water Patrol Fund and the General Revenue Fund of \$2.5 million (roughly the average of the receipts from FY 2008 and FY 2009) each year. Oversight will range the fiscal impact from \$0 (no transfer would have taken place even if the language was still present in Section 306.185) to a savings to the Missouri State Water Patrol Fund (and corresponding loss to the General Revenue Fund) of \$2.5 million.

According to the Office of the State Treasurer, the balance of the Missouri State Water Patrol Fund as of January 31, 2010 was \$1,895,869.

Sections 36.050, 36.060, 36.150, 36.280, 36.370, 36.380, 36.390, 36.400, 37.320, 105.055, 621.015, 621.075, Personnel appeals moved to AHC.

Officials at the **Office of Administration** assume this provision transfers the hearing of merit system employee appeals from the Personnel Advisory Board to the Administrative Hearing Commission. The estimated fiscal impact to the PAB (reduction of 3.5 FTE) and the AHC (1.0 additional AHC Commissioner). Even though Section 621.015 authorizes two additional AHC Commissioners, OA assumes these duties can be accomplished with one additional commissioner. (These numbers coincide with the action of the Senate Appropriations Committee for HB 5.)

Officials at the **Administrative Hearing Commission** assume the potential for two new AHC Commissioners - salary \$102,430. We currently have three Commissioners at this salary. AHC Commissioners hear and decide cases within our jurisdiction. Amount required from General

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ASSUMPTION (continued)

Revenue would depend on when the two new commissioners are appointed. Expenditures include equipment/furniture for offices, computers and Westlaw expenses. The AHC determined that, due to the additional workload, they would need an additional attorney and a court reporter. Unlike the current PAB procedure of transcribing only cases that are appealed, section 621.075 requires transcripts of these cases at the AHC. This bill adds hundreds of cases to the AHC's jurisdiction. Many of these cases will be complex, with numerous witnesses, and will require travel to various parts of the state. At the PAB, 3 1/2 FTE hearing officers have been conducting this function.

Oversight assumes the legislation increases the number of Commissioners to five from three. Oversight has shown the cost to the AHC as \$0 to the cost of the two new Commissioners and additional support staff.

Officials at the **Missouri Veterans Commission** assume an increase in costs due to the hearings being held in Jefferson City. Travel expenses for some witnesses will now be a factor.

Officials at the **Department of Mental Health** and the **Department of Social Services** assume that there is no fiscal impact from this proposal.

Section 109.250 State Records Commission

Officials at the **Office of Administration** assume that there is no fiscal impact from this proposal.

Officials at the **Department of Natural Resources** assume an unknown minimal savings from this provision.

Section 208.215 Health Benefit Plans

Officials at the **Department of Corrections** are unsure whether their Medical and Mental Health contracts would be affected by passage of this bill and what the resulting program and/or fiscal impact may be per each year. DOC assumes an unknown impact.

Officials at the **Department of Mental Health** assume that there is no fiscal impact from this proposal.

Officials from the **Department of Social Services - MO HealthNet Division** state Section 208.215 requires health benefit plans to process MO HealthNet subrogation claims for a period of three years from the date of service, regardless of their timely filing requirements. This would

ASSUMPTION (continued)

significantly increase third party liability recoveries. The estimated increase in recoveries is unknown but greater than \$1,000,000.

Section 630.060 Programs of public information

Officials at the **Department of Mental Health** and the **Department of Natural Resources** assume that there is no fiscal impact from this proposal.

Section 1 Purchasing

Officials at the **Office of Administration** assume the Division of Purchasing, under authority of 34.046 RSMo, allows the purchase from other contracts bid in accordance with that jurisdictions legal authority. Therefore, they wouldn't limit the agencies abilities to use the GSA contracts except to comply with GSA requirements. In addition, it should be noted that the federal government has only authorized two GSA schedules to be made available to the states. Those are schedule 70 for IT products and services and schedule 84 for solutions for law enforcement, security, fire, etc. Therefore, not all solutions available to the federal government are made available to the states. The agency assumes this will be no fiscal impact.

Bill as a Whole

Officials at the **Department of Agriculture, Department of Economic Development, Department of Health and Senior Services, Department of Higher Education, Department of Insurance, Financial Institutions and Professional Registration, Department of Labor and Industrial Relations, Department of Revenue, Missouri Consolidated Health Care Plan, Missouri Department of Conservation, Missouri House of Representatives, Missouri Senate, Office of the Governor, Office of the Lt. Governor, Office of Prosecution Services, Office of the State Auditor, Office of the State Courts Administrator and the Office of the State Treasurer** assume that there is no fiscal impact from this proposal.

Officials at the **Department of Corrections** and the **Department of Elementary and Secondary Education** defers to OA for impact on the purchasing provisions.

Officials at the **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for

ASSUMPTION (continued)

this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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GENERAL REVENUE

Savings - Water Patrol/Highway Patrol

Building Lease	\$0 to \$180,000	\$0 to \$180,000	\$0 to \$180,000
Administrative Savings	\$502,000	\$502,000	\$502,000
Command Staff	\$0 to \$660,000	\$0 to \$660,000	\$0 to \$660,000
Field Officer Assignment Savings*	<u>\$2,400,000</u>	<u>\$2,400,000</u>	<u>\$2,400,000</u>
<u>Total Savings - WP & MSHP</u>	\$2,902,000 to \$3,742,000	\$2,902,000 to \$3,742,000	\$2,902,000 to \$3,742,000

*Expenses will now be paid from State Highway & Transportation Dept. and Gaming Funds.

Savings - PAB

Personal Services	\$203,192	\$203,192	\$203,192
Fringe Benefits	<u>\$118,136</u>	<u>\$118,136</u>	<u>\$118,136</u>
<u>Total Savings - PAB</u>	\$321,328	\$321,328	\$321,328
FTE Change - PAB	(3.5 FTE)	(3.5 FTE)	(3.5 FTE)

Costs - Water Patrol/ Highway Patrol

Moving Expenses	(\$4,000)	\$0	\$0
Training Costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>Total Costs - WP & MSHP</u>	(Unknown over \$4,000)	(Unknown)	(Unknown)

Losses – potential of transfer from the Missouri State Water Patrol Fund no longer allowed with deletion from Section 306.185.

\$0 or (\$2,500,000)	\$0 or (\$2,500,000)	\$0 or (\$2,500,000)
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Cost - AHC

Personal Services	\$0 or (\$244,343)	\$0 or (\$302,009)	\$0 or (\$311,069)
Fringe Benefits	\$0 or (\$128,133)	\$0 or (\$158,374)	\$0 or (\$163,125)
Equipment and Expenses	<u>\$0 or (\$13,259)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs - AHC</u>	<u>\$0 or (\$385,735)</u>	<u>\$0 or (\$460,383)</u>	<u>\$0 or (\$474,194)</u>
FTE Change - AHC	0 or 3.5 FTE	0 or 3.5 FTE	0 or 3.5 FTE

**ESTIMATED NET EFFECT ON
GENERAL REVENUE**

<u>\$3,223,328 up</u> <u>to \$4,063,328 to</u> <u>(Unknown less</u> <u>than</u> <u>\$2,889,735)</u>	<u>\$3,223,328 up</u> <u>to \$4,063,328 to</u> <u>(Unknown less</u> <u>than</u> <u>\$2,960,383)</u>	<u>\$3,223,328 up</u> <u>to \$4,063,328 to</u> <u>(Unknown less</u> <u>than</u> <u>\$2,974,194)</u>
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**Estimated Net FTE Change on
General Revenue**

(3.5) to 3.5 FTE	(3.5) to 3.5 FTE	(3.5) to 3.5 FTE
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**STATE HIGHWAY AND
TRANSPORTATION FUND**

Cost - Water Patrol & Highway Patrol
 Sections 36.031-58.445, 104.810,
 301.716, 306.010-306.185, 542.261-
 650.005

<u>(\$1,200,000)</u>	<u>(\$1,200,000)</u>	<u>(\$1,200,000)</u>
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**ESTIMATED NET EFFECT ON
STATE HIGHWAY AND
TRANSPORTATION FUND**

<u>(\$1,200,000)</u>	<u>(\$1,200,000)</u>	<u>(\$1,200,000)</u>
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GAMING FUND

Income - Water Patrol & Highway Patrol
 Sections 36.031-58.445, 104.810,
 301.716, 306.010-306.185, 542.261-
 650.005

\$1,200,000	\$1,200,000	\$1,200,000
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Cost - Water Patrol & Highway Patrol
 Sections 36.031-58.445, 104.810,
 301.716, 306.010-306.185, 542.261-
 650.005

<u>(\$1,200,000)</u>	<u>(\$1,200,000)</u>	<u>(\$1,200,000)</u>
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ESTIMATED NET EFFECT ON GAMING FUND

\$0	\$0	\$0
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MISSOURI STATE WATER PATROL FUND

Savings – potential of transfer to the
 General Revenue Fund no longer allowed
 with deletion from Section 306.185

<u>\$0 or</u>	<u>\$0 or</u>	<u>\$0 or</u>
<u>\$2,500,000</u>	<u>\$2,500,000</u>	<u>\$2,500,000</u>

ESTIMATED NET EFFECT ON MISSOURI STATE WATER PATROL FUND

<u>\$0 or</u>	<u>\$0 or</u>	<u>\$0 or</u>
<u>\$2,500,000</u>	<u>\$2,500,000</u>	<u>\$2,500,000</u>

THIRD PARTY LIABILITY FUND

Savings - Department of Social Services
 Program Savings

<u>Unknown but</u>	<u>Unknown but</u>	<u>Unknown but</u>
<u>Greater than</u>	<u>Greater than</u>	<u>Greater than</u>
<u>\$367,100</u>	<u>\$367,100</u>	<u>\$367,100</u>

ESTIMATED NET EFFECT ON THIRD PARTY LIABILITY FUND

<u>Unknown but</u>	<u>Unknown but</u>	<u>Unknown but</u>
<u>Greater than</u>	<u>Greater than</u>	<u>Greater than</u>
<u>\$367,100</u>	<u>\$367,100</u>	<u>\$367,100</u>

FEDERAL FUNDS

Savings - Department of Social Services

Program Savings	Unknown but Greater than \$632,900	Unknown but Greater than \$632,900	Unknown but Greater than \$632,900
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Costs - Department of Social Services

Return Federal Assistance	(Unknown but Greater than \$632,900)	(Unknown but Greater than \$632,900)	(Unknown but Greater than \$632,900)
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ESTIMATED NET EFFECT ON FEDERAL FUNDS

\$0 **\$0** **\$0**

FISCAL IMPACT - Local Government

FY 2011 FY 2012 FY 2013
(10 Mo.)

\$0 **\$0** **\$0**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill changes the laws regarding keys to the Capitol dome, state agencies, MO HealthNet claims, and establishes the Joint Committee on the Reduction and Reorganization of Programs Within State Government. In its main provisions, the bill:

- (1) Requires the Commissioner of the Office of Administration to provide a key that accesses the State Capitol dome to each member of the General Assembly. The President Pro Tem of the Senate and the Speaker of the House of Representatives must provide a training program, in consultation with the Office of Administration and the Department of Public Safety, regarding access to secured areas of the State Capitol Building;
- (2) Establishes the Joint Committee on the Reduction and Reorganization of Programs Within State Government. The requirements for membership are specified in the bill. The committee must publish a report by December 31, 2010, with recommendations for reducing, eliminating, or

JH:LR:OD

FISCAL DESCRIPTION (continued)

combining state programs and departments. All state departments must provide the committee with requested information;

(3) Requires all employees of the Joint Committee on Legislative Research, Oversight Division to take and file with the Chief Clerk of the House of Representatives and the Secretary of the Senate an oath to support the Missouri constitution, not to disclose information to unauthorized persons, and to not accept presents or emoluments for the discharge of their duties other than those fixed in accordance to the employee by law

(4) Allows state departments to purchase information technology services not exceeding \$75,000 using the informal procurement standards authorized in Section 34.040, RSMo;

(5) Transfers the jurisdiction over certain employee claims in Chapters 36 and 105 from the Personnel Advisory Board to the Administrative Hearing Commission. The commission is also granted power to hear an appeal from a merit employee who has been fired or demoted. The appeals process and possible remedies provided by the commission are specified in the bill;

(6) Allows a statewide elected official to request a determination of the lowest and best bidder regarding a contract for purchasing, printing, or services from the Office of Administration which must respond to the elected official within 45 days after the submission of the request. The Office of Administration cannot prevent any state agency or other state entity from purchasing supplies from an authorized General Services Administrator vendor if the contract does not exceed the competitive bid limits in Section 34.040;

(7) Replaces the Director of the Forms Management Unit with the Commissioner of the Office of Administration or a designee as a voting member on the State Records Commission;

(8) Transfers the powers and duties of the State Water Patrol to the newly established Division of Water Patrol within the State Highway Patrol. The Superintendent of the State Highway Patrol will appoint a director of the new division and may transfer employees to the new division. The county sheriff will participate in search warrants served by the division except for the investigation of boating while intoxicated and other vessel-related matters. The bill provides a mechanism to allow members of the water patrol joining the new division to choose between the Missouri State Employees' Retirement System or the Department of Transportation and Highway Patrol Retirement System. The procedure for the election, which must be made within 90 days of January 1, 2011, is specified in the bill. A member will be provided with a comprehensive written analysis of the differences between the plans prior to making his or her decision. An employee who becomes a uniformed member of the highway patrol and joins that retirement

FISCAL DESCRIPTION (continued)

system will be subject to the mandatory retirement as provided in Section 104.081;

(9) Allows the Superintendent of the State Highway Patrol to appoint up to one additional major, nine new captains, eight lieutenants, and 99 patrolmen and officers by raising the limits imposed in Sections 43.040 and 43.050;

(10) Establishes criteria for the payment of MO HealthNet subrogation claims by health benefit plans, third-party administrators, administrative service organizations, and pharmacy benefits managers. A claim will be paid for up to three years from the date services were provided or rendered but will not be required to reimburse for items or services which are not covered under MO HealthNet or for items or services not covered by a plan subject to a subrogation claim. The state must enforce the claim within six years. A claim may not be denied solely based on the date the claim is submitted, the type or format of the claim form, failure to present proper documentation at the point of sale, or failure to provide prior authorization. The amount of reimbursement is limited to the amount properly billed at the point of sale. The computerized records of the MO HealthNet Division, certified by the department director or his or her designee, will be prima facie evidence of proof of moneys expended and due to the state; and

(11) Allows the Department of Mental Health to cooperate and contract with political subdivisions and other state entities to promote public understanding of substance abuse, mental illness, and developmental disabilities.

The provisions regarding the Joint Committee on the Reduction and Reorganization of Programs Within State Government will expire on January 1, 2011.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

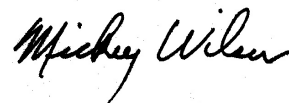
SOURCES OF INFORMATION

Administrative Hearing Commission
Department of Agriculture
Department of Corrections
Department of Economic Development
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Higher Education
Department of Insurance, Financial Institutions and Professional Registration

JH:LR:OD

SOURCES OF INFORMATION (continued)

Department of Labor and Industrial Relations
Department of Mental Health
Department of Natural Resources
Department of Public Safety
 Missouri Highway Patrol
 Missouri Water Patrol
Department of Revenue
Department of Social Services
Joint Committee on Public Employee Retirement
Legislative Research's Division of Oversight
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Missouri Department of Transportation
Missouri Department of Transportation and Highway Patrol Employee's Retirement System
Missouri House of Representatives
Missouri Senate
Missouri State Employees Retirement System
Missouri Veterans Commission
Office of Administration
 Facilities Management, Design and Construction
 General Services/Risk Management
 Information Technology Services Division
 Personnel
 Purchasing
Office of the Attorney General
Office of the Governor
Office of the Lt. Governor
Office of Prosecution Services
Office of the Secretary of State
Office of the State Auditor
Office of the State Courts Administrator
Office of the State Treasurer



L.R. No. 4774-06
Bill No. Truly Agreed To and Finally Passed CCS for SCS for HB 1868
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June 3, 2010

Mickey Wilson, CPA
Director
June 3, 2010
